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Arizona Labor Market NEWSLETTER

Arizona Department of Economic Security

Vol. VIII No. 2
February 1984

Unemployment Rate

Seasonally Adjusted
December*

ARIZONA	6.5%
Maricopa Co.	5.0%
Pima Co.	6.0%
UNITED STATES	8.2%

Consumer Price Index

National-November
1967 - Base Year

Wage Earner/Clerical Worker -	301.4
% Chg. Yr. Ago	2.8
All Urban -	303.1
% Chg. Yr. Ago	3.2

Phoenix-4th Qtr.
1977 - Base Year

All Urban -	174.1
% Chg. Yr. Ago	4.1

Producer Price Index

National-December*
1967 - Base Year

All Commodities-	306.0
% Chg. Yr. Ago	1.8
Finished Goods -	287.1
% Chg. Yr. Ago	0.6

* Preliminary

AT&T Breakup and Technological Advances Spell Change for Communication Workers

American Telephone and Telegraph Co. and representatives from three striking unions (Communication Workers of America, International Brotherhood of Electrical Workers, and the Telecommunications International Union) reached agreement late last August on similar three-year contracts, just four months prior to the scheduled breakup of the Bell System. The new contracts featured provisions designed to protect employees from the results of divestiture and accelerating technology in the communications industry.

According to CWA President Glenn E. Watts, the most important aspect of the new agreement was the issue of employment security. Under the new contract, training assumes a prominent role.

Each of the companies in the Bell System (including Mountain Bell, a subsidiary of U S West) will be required to establish a Training Advisory Board, comprised of three management and three union representatives. Major functions of the Board will be:

- Advising the company on training needs and curricula;
- Reviewing training systems (such as community colleges and technical schools) and making recommendations;

- Evaluating the effectiveness of courses and systems; and

- Encouraging employee participation in training courses.

Training Programs

Under the contracts, several different types of training programs are to be established within one year by each entity of the Bell System. A Career Development Program will be established for all employees with at least one year of service. The program will provide training which is:

- Designed to help employees prepare themselves for career progression opportunities or job changes within the company;

- "Generic" as opposed to "job specific," concentrating on technical, sales, clerical and other fundamental skills; and

- Voluntary, unpaid and to be conducted outside of working hours.

In addition, Mountain Bell will continue to offer tuition aid to regular employees. The 100 percent reimbursement is available for any approved credit or non-credit course, even if the employee is not pursuing a formal degree. If the employee is enrolled in a formal program, the company will reimburse tuition for elective, as well as required, courses.

Accomplishments within these programs will be taken into account by the company when the employee is considered for promotion or transfer.

A new Job Displacement Training Program will also be initiated by each company in the Bell System. This program will serve to:

- Inform employees of possible job terminations as soon as possible and offer them any pertinent training required for anticipated job openings within the company;

- Aid those employees whose jobs are being reclassified to lower pay grades or terminated by enhancing their ability to qualify for anticipated job openings within the company; and

- Provide unpaid training for employees, to be conducted outside of scheduled working hours.

This program will be available to all regular employees regardless of length of service.

One of the results of accelerating technology in the communications industry has been increasing mechanization. This has led to greater and greater centralization. In Arizona, many Mountain Bell employees working in the non-metropolitan counties are being relocated to new areas or new departments within the metropolitan areas (Phoenix, Tucson and Flagstaff) as the Bell System becomes more mechanized. Eventually, all testing operations for the state are expected to be located in Phoenix. Most service representatives are already concentrated in the Phoenix and Tucson areas.

Help for "Surplus" Employees

The trend toward centralization, together with the scheduled breakup, has caused Bell System officials to label some positions as "surplus" and programs have been established to help such employees deal with job separation and job-search activities. At Mountain Bell, the Human Resources Department is currently offering a Self-Assessment Workshop for surplus employees, concentrating on interviewing and job-search training. To assist them in their job searches, employees will be allowed to use company resources (such as word processing capabilities and office space for making job contacts) for up to three months following separation.

Mountain Bell is also offering financial incentives to employees who are affected by technological change or the breakup of AT&T. The Supplemental Income Protection Plan (SIPP) provides benefits to employees under the company's normal retirement age who decide to leave the company. Eligibility is limited to those employees who have

at least 20 years of service and whose age plus years of service totals 75. Both monthly and lump sum payments are made to qualifying employees. Maximum payments are limited to a combined $22,200.

Employees who do not qualify for the SIPP but elect to leave the company because their jobs are threatened are eligible for the Voluntary Income Protection Plan (VIPP). To qualify for VIPP, the employee must have at least two years of service. Monthly and lump sum payments which could be used for relocation, training, or other purposes are paid to qualifying employees.

The Reassignment Pay Protection Plan was devised for employees who are downgraded because of technological change. Qualifying employees will retain their pay for three years, followed by a four-stage reduction to lower pay over a thirteen week period.

Although Mountain Bell expects to recruit for some of the high demand occupations, it will continue to consider internal personnel for most job opportunities before going to outside applicants. According to Jan Ripley, Human Resource Manager for the Phoenix office, the new training programs were designed to "improve the company's competitive edge and improve employment security." Like the other local companies, Mountain Bell will rely increasingly on education and training programs to help meet changing labor force conditions.

Guy R. Wilson

TUCSON JOB GROWTH SIXTH BEST IN NATION

A national survey by Chase Econometrics has again said Tucson is expected to be one of the 10 fastest-growing job centers in the nation during the next decade. The study surveyed 112 metropolitan areas and ranked them on the prospects for job growth. Austin, Texas heads the list of the top ten metropolitan areas for future employment growth.

In descending order, the other nine are: Oxnard, California; San Diego, California; Anaheim, California; Orlando, Florida; Tucson, Arizona; Riverside, California; Tampa, Florida; Las Vegas, Nevada; and San Antonio, Texas. The projected growth rates for the 10 cities range from 4.2 percent in Austin to 3.2 percent for San Antonio. The average growth rate for the 112 cities is expected to be 1.8 percent a year during the decade.

Tucson is expected to grow 3.4 percent a year. In 1981, when Tucson was ranked third, the growth rate was projected at 4.3 percent. In 1980, Tucson was ranked as the nation's fastest-growing city and the growth rate was expected to be 4.4 percent during the 1980s. Tucson's decline in projected growth was due to a housing and construction slump (which has not affected Austin as severely) as well as to declines in copper and aerospace employment.

Phoenix, ranked 14th with an anticipated growth rate of 3 percent, was seventh in the 1981 survey with a 3.7 percent projected growth rate.

ARIZONA UNEMPLOYMENT INSURANCE ACTIVITIES - NOVEMBER

	November 1983	October 1983	November 1982	% Change From One Year Ago
Arizona Claimants Served**	32,963	35,749	71,760	-54.1%
Arizona Average Weeks Unemployed***	9.9	9.3	10.2	- 2.9%
Arizona Benefits Paid**	$ 10,677,360	$ 10,249,204	$ 22,413,423	-52.4%
Arizona Trust Fund Balance	$173,108,109	$168,505,487	$220,292,918	-21.4%

*Estimated **All Programs ***UI Only

BLACKS IN THE ARIZONA LABOR FORCE

According to data from the Equal Employment Opportunity Special File, prepared by the U. S. Bureau of the Census, non-hispanic blacks comprised approximately 2.4 percent of the 1980 civilian labor force in Arizona. By comparing percentages of blacks within specific occupations to the percentage of blacks in the labor force as a whole, it can be determined if disparities exist.

In 1980, blacks were not represented at levels equal to their labor force participation rate in these occupations: accountants (1.1 percent), librarians (1.6 percent), postsecondary teachers (1.6 percent), secondary teachers (1.7 percent), receptionists (1.2 percent), secretaries (1.2 percent), bakers (1.8 percent) mechanics and repairers (1.8 percent), butchers/meat cutters (1.8 percent) and insurance sales occupations 0.7 percent).

Blacks were more highly represented in the labor force within private household occupations (9.4 percent), social and recreational workers (6.3 percent), file clerks (3.9 percent), payroll and timekeeping clerks (4.3 percent), stenographers (5.7 percent), telephone operators (5.0 percent), typists (6.5 percent), bus drivers (4.8 percent) and taxicab drivers/chauffers (3.9 percent).

When the 1980 percentages are compared to those for 1970, certain trends emerge. Although the total number of blacks in professional occupations remained small, definite increases occurred over those ten years, especially for women. The percentage of accountants who are black increased 175 percent from 1970 to 1980. Other increases occurred for engineers (150 percent), lawyers and judges (250 percent) and postsecondary teachers (220 percent).

There was a trend away from blue-collar jobs toward white-collar jobs. Decreases occurred in private household occupations (51 percent), laundry/dry cleaning operatives (20 percent), construction laborers (54 percent) and farm workers and supervisors (38 percent). Increases occurred for file clerks (160 percent), stenographers (850 percent), telephone operators (100 percent) and typists (491 percent).

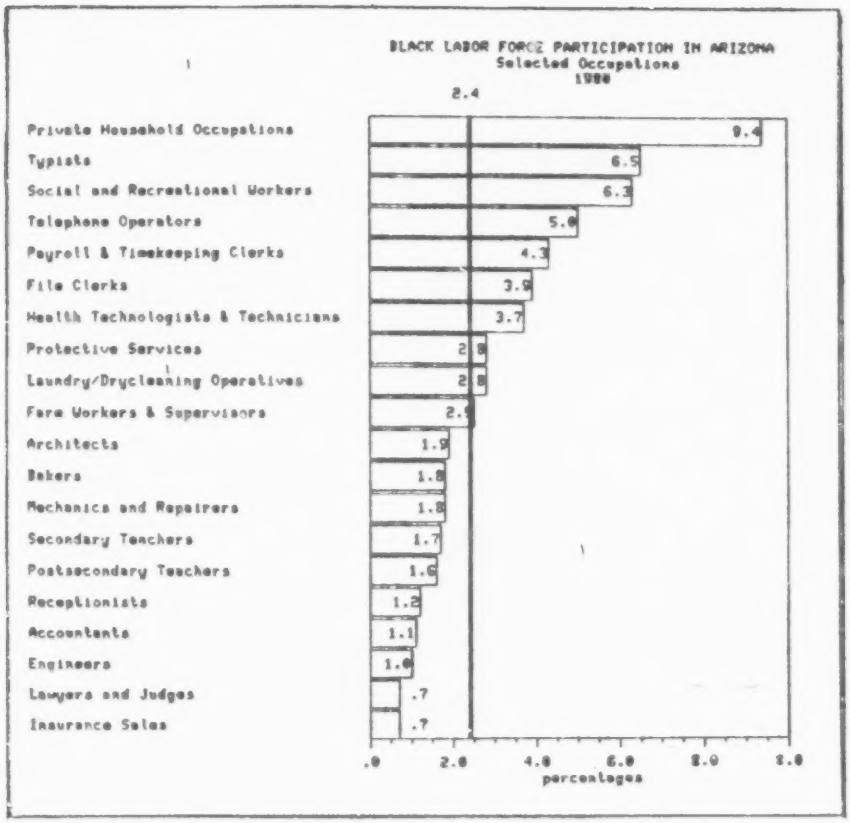
Arizona's trends were similar to the national trends for black employment - decreases in private household occupations, laborers, and farm workers; increases in professional and clerical occupations. However, the shifts on both the national and state levels were much greater for women than for men. The table accompanying this article contains the percentages of black participation within selected occupations for both 1970 and 1980. The bar chart compares the participation rates in various occupations in 1980 with the black participation rate in the entire 1980 civilian labor force.

Barbara Keene

BLACK LABOR FORCE PARTICIPATION IN ARIZONA
1970 AND 1980
(Selected Occupations)

Occupations	1970 Males	1970 Females	1980 Males	1980 Females
MANAGERIAL AND PROFESSIONAL:				
Accountants	0.3%	0.1%	0.5%	0.6%
Architects	0.9	NA*	1.6	0.3
Engineers	0.4	NA	0.8	0.2
Lawyers and Judges	0.2	NA	0.5	0.2
Librarians	NA	1.4	NA	1.6
Postsecondary Teachers	0.1	0.4	0.9	0.7
Secondary Teachers	0.3	0.8	0.7	1.0
Social and Recreational Workers	2.6	2.4	3.1	3.2
TECHNICAL, SALES, AND ADMIN. SUPPORT:				
File Clerks	NA	1.5	0.2	3.7
Health Technologists & Technicians	1.3	2.4	1.1	2.6
Insurance Sales	0.9	0.2	0.5	0.2
Payroll and Timekeeping Clerks	NA	NA	0.9	3.4
Receptionists	NA	1.1	0.2	1.0
Secretaries	NA	0.9	NA	1.2
Stenographers	NA	0.6	NA	5.7
Telephone Operators	NA	2.5	1.0	4.0
Typists	NA	1.1	0.8	5.7
SERVICE OCCUPATIONS:				
Private Household Occupations	0.5	18.8	0.1	9.3
Protective Services	1.6	NA	2.3	0.5
FARMING, FORESTRY, AND FISHING:				
Farm Workers and Supervisors	3.6	0.4	2.3	0.2
PRECISION PRODUCTION, CRAFT & REPAIR:				
Bakers	NA	NA	1.3	0.5
Mechanics and Repairers	1.6	NA	1.7	0.1
OPERATORS, FABRICATORS, AND LABORERS:				
Laundry/Drycleaning Operatives	1.8	1.7	0.8	2.0

*NA = Not Available



NEW LMI PUBLICATIONS

Annual Planning Information - A Guide for JTPA Planners will be available in March. The API contains economic analyses of the state and of the Service Delivery Areas designated within Arizona to deliver employment and training programs under the Job Training Partnership Act. The economic analyses contain information on population and labor force characteristics, unemployment, target populations and occupational supply as well as two-year economic forecasts for the state and for each SDA.

An update of the Affirmative Action Planning Information publication is now available. Separate reports from the 1980 dicentennial census have been prepared for the following areas: Arizona; the counties Of Apache, Cochise, Coconino, Gila, Graham, Greenlee, Maricopa, Mohave, Navajo, Pima, Pinal, Santa Cruz, Yavapai and Yuma; and the cities of Glendale, Mesa, Phoenix, Scottsdale, Tempe and Tucson.

Each report contains information on population, civilian labor force, employment, unemployment and occupations by sex and minority status. Other material that may be useful in structuring an affirmative action program is also provided.

One copy of each of the above LMI publications may be obtained by writing: Labor Market Information Publications - 733A, P. O. Box 6123, Phoenix, Arizona 85005. Multiple copies may be purchased for the cost of printing.

THE ARIZONA LABOR FORCE IN DECEMBER 1983

Arizona's economic recovery has continued to accelerate throughout 1983. In fact, the year ended in much better shape than nearly every analyst had expected. Improvement in the unemployment rate was slow during the first six months, but from July through December, it has fallen from 9.7 to 6.5 percent. In addition to setting a number of record industry employment levels, this month also established the largest annual decline in the unemployment rate ever recorded.

The continuing pattern of strong growth in the metropolitan areas helped set a record for the total number of jobs as well as record employment levels in manufacturing, trade, services and government. Unfortunately, the prosperity being enjoyed in the Phoenix and Tucson areas has not yet moved into the rural parts of the state. Except for winter tourism activity in Yuma County and winter produce business around Nogales, little change was recorded in the non-metropolitan counties.

The first year of Arizona's economic recovery was led by the interest sensitive sectors, particularly construction and the associated lumber and aggregates sectors of manufacturing. Again, most of this activity was recorded in the Phoenix and Tucson areas. But as this month's statistics indicate, construction growth has slowed substantially. Only 100 new jobs were added in December, the slowest growth since the beginning of the year. The outlook into 1984 is for growth to continue, but at a slower rate than in 1983, as the focus of activity moves from residential construction to commercial and other heavy construction. Given the number of housing units already built or under construction, it seems doubtful that this pace of housing growth can continue. But as the economy continues to gain strength, existing business will need room for expansion and new business will need space to operate.

This leads into the second phase of the recovery, where we are currently positioned. Strong consumer confidence and increased purchases have reduced inventories to low levels following Christmas. These growing purchases and declining inventories will cause manufacturers to expand production and increase their staffs. We are already seeing the impact of a more aggressive consumer in both the trade and services areas. In the last month alone, trade added 6,000 new workers while services added another 1,800. And in the last three months, a total of 23,700 people have found work in trade and services types of businesses. Even manufacturing, which reacts more slowly to these changes, has added 1,500 new staff in the last three months. If the recovery follows a traditional path, we can expect manufacturing to continue to gain strength into 1984.

While our current economic recovery cannot be characterized as a boom, this is the strongest economic growth we have seen during the 1980s. Except for mining and government, every sector is growing and appears ready for continued growth in 1984. In mining, employment levels have been virtually unchanged since last year. But unfortunately, the national recovery has not caused the demand for copper, nor its price, to increase. Some small employment losses will be recorded in January, with additional losses likely later in the year. Each month, the economic outlook for copper mining remains dark and unchanged.

Meanwhile, tight budgets have kept government from growing as quickly as it would have otherwise. In the last twelve months, the educational sector has added 5,100 new workers, federal government 1,000 new workers, and the remainder of government has dropped 500 staff. With pressure from both the national and local levels to cut government expense, it seems unlikely that this trend will change.

As we will elaborate on more next month, Arizona's economic health is good and will continue to improve in 1984.

December 1983 (in thousands)

	ARIZONA				
	Dec.* 1983	Nov. 1983	Dec. 1982	-- Amt Change -- Nov. to Dec.	1982 to 1983
TOTAL CIVILIAN LABOR FORCE	1399.7	1394.0	1350.1	+5.7	+49.6
Total Unemployment	88.0	98.2	141.5	-10.2	-53.5
Rate	6.3	7.0	10.5	---	---
Rate (Sea. Adj.)**	6.5	7.1	10.9	---	---
Total Employment	1311.7	1295.8	1208.6	+15.9	+103.1

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE U

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1088.0	1078.6	1043.5	+9.4	+44.5
Manufacturing	157.6	157.0	148.9	+0.6	+8.7
Durable Goods	123.0	122.3	114.5	+0.7	+8.5
Stone, Clay and Glass	6.0	5.9	4.9	+0.1	+1.1
Primary and Fabricated Metals	13.6	13.7	14.2	-0.1	-0.6
Primary Metals	6.1	6.0	6.5	+0.1	-0.4
Fabricated Metals	7.5	7.7	7.7	-0.2	-0.2
Machinery	62.7	62.4	60.1	+0.3	+2.6
Other Durable Goods	40.7	40.3	35.3	+0.4	+5.4
Aircraft and Missiles	18.3	18.3	16.7	+0.0	+1.6
Lumber and Wood Products (Except Furniture)	6.2	6.2	4.8	+0.0	+1.4
All Other Durable Goods	16.2	15.8	13.8	+0.4	+2.4
Nondurable Goods	34.6	34.7	34.4	-0.1	+0.2
Food and Kindred Products	7.9	7.9	8.8	+0.0	-0.9
Apparel	5.0	5.0	4.9	+0.0	+0.1
Printing and Publishing	12.2	12.3	11.6	-0.1	+0.6
All Other Nondurable Goods	9.5	9.5	9.1	+0.0	+0.4
Mining and Quarrying	15.6	15.6	15.8	+0.0	-0.2
Copper Mining	12.6	12.6	12.8	+0.0	-0.2
Other Mining and Quarrying	3.0	3.0	3.0	+0.0	+0.0
Construction	76.9	76.8	65.2	+0.1	+11.7
Trans., Communications, and Public Utilities	57.1	56.5	56.4	+0.6	+0.7
Transportation	24.4	23.9	23.7	+0.5	+0.7
Communications and Public Utilities	32.7	32.6	32.7	+0.1	+0.0
Trade	268.9	262.9	264.5	+6.0	+4.4
Wholesale Trade	53.2	52.5	51.9	+0.7	+1.3
Retail Trade	215.7	210.4	212.6	+5.3	+3.1
General Merchandise and Apparel	42.0	39.1	42.4	+2.9	-0.4
Food Stores	33.6	33.2	34.0	+0.4	-0.4
Automotive and Service Stations	24.4	24.2	24.2	+0.2	-0.2
Eating and Drinking Places	72.4	71.5	69.8	+0.9	+2.6
Other Retail Trade	43.3	42.4	42.2	+0.9	+1.1
Finance, Insurance, and Real Estate	63.7	63.5	61.9	+0.2	+1.8
Services and Miscellaneous	234.1	232.3	222.7	+1.8	+11.4
Hotels and Other Lodging Places	24.2	24.0	23.3	+0.2	+0.9
Business Services	44.3	43.9	40.3	+0.4	+4.0
Health Services	63.7	63.4	61.6	+0.3	+2.1
Other Services	101.9	101.0	97.5	+0.9	+4.4
Government	214.1	214.0	208.1	+0.1	+6.0
Federal	39.1	39.0	38.2	+0.1	+0.9
State and Local	175.0	175.0	169.9	+0.0	+5.1
School	110.6	109.5	105.0	+1.1	+5.6

* Preliminary
** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Data has been adjusted to the 1972 Standard Industrial Classifications (SIC).

December 1983 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Dec.* 1983	Nov. 1983	Dec. 1982	Nov. to Dec.	1982 to 1983	Dec.* 1983	Nov. 1983	Dec. 1982	Nov. to Dec.	1982 to 1983
866.8	860.6	824.7	+6.2	+42.1	262.3	261.0	252.4	+1.3	+9.9
42.7	48.1	69.8	-5.4	-27.1	15.4	17.9	26.1	-2.5	-10.7
4.9	5.6	8.5	---	---	5.9	6.9	10.3	---	---
5.0	5.7	8.7	---	---	6.0	6.9	10..	---	---
824.1	812.5	754.9	+11.6	+69.2	246.9	243.1	226.3	+3.8	+20.6

ED FOR ECONOMIC ASSISTANCE PROGRAMS.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

697.7	690.5	664.8	+7.2	+32.9	203.7	201.0	194.7	+2.7	+9.0
113.5	112.9	107.3	+0.6	+6.2	27.2	26.9	25.7	+0.3	+1.5
89.8	89.4	84.3	+0.4	+5.5	22.3	22.0	20.9	+0.3	+1.4
3.7	3.7	3.0	+0.0	+0.7					
8.7	8.9	9.4	-0.2	-0.7					
49.8	49.6	47.4	+0.2	+2.4					
27.6	27.2	24.5	+0.4	+3.1					
23.7	23.5	23.0	+0.2	+0.7	4.9	4.9	4.8	+0.0	+0.1
5.2	5.1	6.0	+0.1	-0.8					
2.6	2.5	2.2	+0.1	+0.4					
9.0	9.0	8.5	+0.0	+0.5					
6.9	6.9	6.3	+0.0	+0.6					
0.6	0.6	0.5	+0.0	-0.1	3.5	3.4	3.8	+0.1	-0.3
52.4	52.3	44.1	+0.1	+8.3	15.5	15.3	12.4	+0.2	+3.1
36.5	36.0	35.7	+0.5	+0.8	8.9	8.9	8.9	+0.0	+0.0
16.0	15.6	15.3	+0.4	+0.7	4.1	4.0	3.9	+0.1	+0.2
20.5	20.4	20.4	+0.1	+0.1	4.8	4.9	5.0	-0.1	-0.2
180.5	175.9	177.1	+4.6	+3.4	44.9	43.9	44.5	+1.0	+0.4
41.8	41.5	40.9	+0.3	+0.9	6.3	6.2	5.9	+0.1	+0.4
138.7	134.4	136.2	+4.3	+2.5	38.6	37.7	38.6	+0.9	+0.0
27.4	25.2	27.1	+2.2	+0.3	7.5	7.0	7.9	+0.5	-0.4
21.8	21.4	22.0	+0.4	-0.2	5.3	5.3	5.5	+0.0	-0.2
14.3	14.7	14.6	+0.1	+0.2	4.3	4.2	4.3	+0.1	+0.0
44.8	44.0	43.6	+0.8	+1.2	13.5	13.3	13.1	+0.2	+0.4
29.9	29.1	28.9	+0.8	+1.0	8.0	7.9	7.8	+0.1	+0.2
49.1	49.0	48.0	+0.1	+1.1	9.5	9.5	8.8	+0.0	+0.7
157.2	155.4	147.9	+1.8	+9.3	45.8	45.7	43.6	+0.1	+2.2
14.9	14.5	14.3	+0.4	+0.6	3.7	3.7	3.3	+0.0	+0.4
36.2	35.8	32.7	+0.4	+3.5	6.5	6.5	6.0	+0.0	+0.5
42.5	42.1	40.7	+0.4	+1.8	13.6	13.6	13.5	+0.0	+0.1
63.6	63.0	60.2	+0.6	+3.4	22.0	21.9	20.8	+0.1	+1.2
107.9	108.4	104.2	-0.5	+3.7	48.4	47.4	47.0	+1.0	+1.4

-- Prepared by Labor Market Information, Research and Analysis (CPS-MOD, 1/83)

NONMETROPOLITAN COUNTIES LABOR FORCE AND EMPLOYMENT

December 1983 (Preliminary)

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	14,925	29,750	35,925	14,625	8,125	3,825	5,225
Total Unemployment	2,000	2,625	3,200	2,625	925	250	650
Rate	13.4%	8.8%	8.9%	17.9%	11.4%	6.5%	12.4%
Rate (Seas. Adj.)**.	13.4%	8.9%	8.8%	18.0%	12.2%	6.2%	-INA-
Total Employment	12,925	27,125	32,725	12,000	7,200	3,575	4,575
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	12,975	21,575	29,975	9,375	4,375	3,025	2,550
Manufacturing.	550	1,500	2,450	1,175	100	350	125
Mining and Quarrying	25	400	50	1,525	75	1,625	0
Construction	1,450	700	1,050	1,325	175	25	100
Trans., Comm., & Pub. Util..	1,650	1,400	2,175	325	175	50	50
Trade.	1,025	4,200	7,300	1,750	1,325	300	900
Fin., Insur., & Real Estate.	125	525	725	225	125	25	125
Services and Miscellaneous .	3,025	2,700	6,325	1,450	625	75	625
Government	5,125	10,150	9,900	2,600	1,775	575	625

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	22,650	24,100	32,800	9,000	32,575	37,050
Total Unemployment	2,600	2,650	4,150	1,625	2,275	4,275
Rate	11.5%	11.0%	12.7%	18.1%	7.0%	11.5%
Rate (Seas. Adj.)**.	11.4%	10.8%	13.2%	19.0%	6.7%	-INA-
Total Employment	20,050	21,450	28,650	7,375	30,300	32,775
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	14,950	16,325	23,650	7,150	17,750	22,925
Manufacturing.	2,150	1,625	2,575	775	1,900	1,650
Mining and Quarrying	275	1,075	5,325	25	1,025	75
Construction	950	575	675	175	1,075	1,700
Trans., Comm., & Pub. Util..	925	1,600	975	525	875	975
Trade.	4,425	3,400	3,675	3,125	4,600	7,550
Fin., Insur., & Real Estate.	600	300	575	250	725	650
Services and Miscellaneous .	2,675	3,625	1,850	900	3,325	3,925
Government	2,950	4,125	8,000	1,375	4,225	6,400

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

ARIZONA LABOR FORCE AND EMPLOYMENT FOR ECONOMIC ASSISTANCE PROGRAMS
November 1983 (Preliminary)

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,392,828	1,294,308	98,520	7.1%
Apache	14,921	12,804	2,117	14.2
Cochise	29,790	27,040	2,750	9.2
Coconino	36,440	33,355	3,085	8.5
Gila	14,678	12,021	2,657	18.1
Graham	8,307	7,182	1,125	13.5
Greenlee	3,845	3,582	263	6.8
La Paz	5,304	4,558	745	14.0
Maricopa	860,026	811,848	48,178	5.6
Mohave	22,560	19,755	2,805	12.4
Navajo	24,163	21,415	2,748	11.4
Pima	260,675	242,735	17,940	6.9
Pinal	33,064	28,579	4,485	13.6
Santa Cruz	9,372	7,077	2,295	24.5
Yavapai	32,768	30,370	2,398	7.3
Yuma	36,915	31,986	4,929	13.4

Data have been adjusted to the 1972 Standard Industrial Classification (SIC). These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

ESTIMATED HOURS AND EARNINGS OF PRODUCTION WORKERS IN SELECTED INDUSTRIES IN ARIZONA

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	DEC.* 1983	NOV. 1983	DEC. 1982	DEC.* 1983	NOV. 1983	DEC. 1982	DEC.* 1983	NOV. 1983	DEC. 1982
FOR THE STATE OF ARIZONA*									
Manufacturing	385.62	378.40	357.00	42.1	41.4	40.8	9.14	9.14	8.75
Aircraft & Missiles	566.40	518.25	512.11	47.2	44.6	45.4	12.00	11.62	11.28
Food & Kindred Products	325.51	327.85	313.23	41.1	41.5	39.7	7.92	7.90	7.89
Primary Metals	505.60	474.77	459.80	40.0	39.4	38.9	12.64	12.05	11.82
Machinery	347.66	346.88	334.55	41.2	41.1	40.7	8.42	8.44	8.22
Copper Mining	522.30	521.43	531.45	42.5	39.0	40.6	13.38	13.37	13.09
Construction	439.24	431.06	443.79	37.8	36.5	33.8	11.62	11.81	13.13
Utilities	544.32	544.32	501.95	44.8	44.8	43.8	12.15	12.15	11.46
Retail Trade**	207.26	211.15	209.55	32.6	33.2	35.1	6.35	6.36	5.97
Wholesale Trade	343.07	351.14	323.98	40.6	39.7	38.8	8.45	8.85	8.35

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. All data has been adjusted to the 1972 Standard Industrial Classifications (SIC).

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/83)

RECESSIONS AND THE ARIZONA ECONOMY: A COMPARISON OF 1974-75 AND 1981-82

Statistics recently released by the Bureau of Economic Analysis, U. S. Department of Commerce, reveal the impact of the 1981-82 recession on the Arizona economy. The state suffered a significant reduction in the growth of Personal Income (PI) and per capita PI, lagging behind the national averages in both. The hardest hit areas were mining, construction and the primary metals industry. However, PI growth was strong in the high tech and defense related industry, finance, insurance and real estate, and state and local government. The reduction in the growth rate of per capita PI is attributable not only to the recession but also to the continued rapid growth of Arizona's population. Table 1 clearly illustrates these effects.

To better understand the effects of the recent recession on Arizona, it is useful to compare it to the 1974-75 recession. The overall picture is very similar for both periods. Both were characterized by slowly rising unemployment in the first year that did not peak until the middle of the following year. The 1974-75 recession also had similar growth rates in population (2.8 percent), total PI (6.1 percent) and per capita PI (3.3 percent). However, the effects of the two recessions on various sectors of Arizona's economy were somewhat different.

As Table 2 illustrates, the 1974-75 recession impacted heavily on the durable goods sector, reducing PI by 1.8 percent and employment by 14.1 percent. Especially hard hit was the machine industry which suffered a 10.6 percent decline in PI with over one-fifth of the workforce losing their jobs. By comparison, in the 1981-82 recession, employment fell in the machinery sector by 1.6 percent while PI managed to rise by 8.7 percent, both outperforming the durable goods sector as a whole. Looking at primary metals, the inverse case exists. In 1974-75, although employment fell by 12.3 percent, PI increased by a very strong 24.9 percent. However, in the later recession, both employment and PI fell by a significant amount, 20.8 percent and 19.4 pencent respectively. Mining had a similar experience. During 1974-75, employment fell by 8.6 percent while PI showed a slight reduction of 0.6 percent. In 1981-82, however, employment fell 26.8 percent and PI 24.8 percent, both the highest in the state.

During the 1981-82 recession, the best performing private sector industry was finance, insurance and real estate. This industry registered a modest 1.6 percent growth in employment and a very strong 9.8 percent increase in PI. This is contrasted with the industry's slight reduction in employment of 0.7 percent and increase in PI of 2.3 percent between 1974 and 1975. The strong showing of this industry during the last recession is partially due to the continued rapid population growth of the state, especially Maricopa and Pima Counties, which results in an increased demand for the services which this industry provides. Further growth can be attributed to the deregulation that took place during this period.

It appears that the experiences of construction, non-durable goods, retail trade and state and local government were very similiar during both recessions. All but construction showed an increase in PI in both periods and only non-durable goods and construction suffered a reduction in employment. The recession in Arizona's construction industry really began in 1979. Between that year and 1982, employment fell 30.7 percent while during the "official" 1981-82 recession, employment fell 15.6 percent. In the 1974-75 recession, employment in construction was reduced by 24.9 percent. Personal Income fell much more in 1974-75 than in 1981-82, by 19.9 percent in the former period and 8.3 percent in the latter. Finally, it should be noted that the increase in employment in state and local government was entirely in the field of education during both recessions.

The preceding analysis illustrates the importance of looking at the effects of recession on a smaller level of aggregation. As in the national economy, not all

parts of the state's economy will be similarly affected. The 1974-75 recession clearly impacted more heavily on construction and durable manufacturing in the state while mining was relatively less affected. However, in 1981-82, the high tech industry continued its growth not only in Arizona but throughout the U.S. Meanwhile, mining, namely copper, suffered under the weight of a severe worldwide recession. Clearly, as the industry-mix within the state changes so will the impact of the business cycle.

David Sinclair

TABLE 1. Annual Growth Rates of Personal Income, Per Capita Personal Income and Population in Arizona and the U.S., 1979-1982.

	Personal Income	Per Capita Personal Income	Population
ARIZONA			
1979-80	12.4%	10.3%	3.5%
1980-81	14.2	11.8	2.2
1981-82	5.6	3.1	2.5
UNITED STATES			
1979-80	11.0	9.8	1.2
1980-81	12.4	11.4	1.0
1981-82	6.0	5.0	1.0

TABLE 2. Annual Growth Rates of Personal Income and Employment by Industry in Arizona, 1974-75 and 1981-82.

	Personal Income		Employment	
	1974-75	1981-82	1974-75	1981-82
Mining	-0.6%	-24.8%	-8.6%	-26.8%
Construction	-19.9	-8.3	-24.9	-15.6
Non-Durable Goods	4.8	3.1	-3.7	-3.3
Durable Goods	-1.8	2.5	-14.1	-4.7
Machinery	-10.6	8.7	-21.0	-1.6
Primary Metals	24.9	-19.4	-12.3	-20.8
Retail Trade	3.8	6.0	1.2	0.8
Fin., Ins., Real Estate	2.3	9.8	-0.7	1.6
State & Local Government	12.5	13.0	6.4	0.6
Education	----	----	6.6	1.8

Construction - A 36.7 acre site at the main entrance to Tucson International Airport has been purchased for $5.6 million by Bay Colony Development Co. of Phoenix and Tucson. The land will be the site for the $25 million, 500,000 square-foot Bay Colony Technology Center, an industrial development to accommodate high technology companies.

Bay Colony Development Co. is a subsidiary of Bay Financial Corp., Boston. The company opened its first regional office in Phoenix in June.

Construction began in January on a $5.15 million project by Quality Inns International. Scheduled for completion by October, the new Paradise Valley hotel will employ about 200 workers with some 60 additional staff needed within 18 months after opening.

Grand Canyon College officials hope to begin construction late this month on a 9,000 square-foot arts complex. The $350,000 complex is part of a major expansion program for the Phoenix college. Funds will be raised through donations.

Manufacturing - Hughes Aircraft Co. will increase employment at its Tucson missile plant by 10 percent in 1984 and 10 percent in 1985, raising the work force to more than 7,200. Most of the growth expected in the next two years will be in production workers, especially those with trades and skills. Increased production of all missiles made by Hughes will account for the 1,200 new jobs.

Hughes, the largest private-sector employer in the Tucson area, currently employs about 6,000, a record employment that is up from 5,375 at the beginning of 1983.

The Gott Corp., makers of ice chests, water coolers and other plastic containers, has opened a distribution center and small manufacturing plant in Phoenix. The number of people hired to staff the new facility has not been announced but it was not expected to be large.

Sperry Corp. has purchased ARC Avionics from Cessna Aircraft Co.'s electronics division and will move the New Jersey plant to Phoenix later this year. Only about 25 key technical people, primarily engineers, will be transferred. About 250 production employees will be needed in Phoenix when the move is made.

According to a spokesman for Sperry, the most important portion of the sale is the electronic firm's aircraft radios. With the acquisition, Sperry is "trying to be a complete supplier" to the aviation industry.

Ponderosa Paper Products may be able to reopen its Flagstaff plant following a recent Superior Court ruling in favor of Ponderosa, which had asked that it not be bound by a 1972 court injunction barring the discharge of effluent into the Rio de Flag.

Ponderosa, which manufactured paper products from recycled paper, closed in July following disputes over odor problems. The plant had laid off about 180 employees during the past year.

Wholesale Trade - Construction has begun on one of the largest food distribution and storage centers in Phoenix. The $12 million facility will contain 100,000 square feet of freezer and temperature control space as well as office space for food brokers.

Retail Trade - Chrysler Corp. opened its first sales zone in Phoenix on February 1st in an attempt to aggressively market in a five-state area. The new sales zone is designed to help the 91 Chrysler-Plymouth and Dodge dealers in Arizona, Nevada, Utah, New Mexico and El Paso County in Texas with marketing, sales, service and distribution.

The Phoenix zone is the third organized by Chrysler in the past year. The others are in Houston and New Orleans. The Phoenix zone headquarters will have a staff of 37 sales, service and administrative personnel.

Tribal Agriculture - First Interstate Bank of Arizona has agreed to loan $37.5 million

to the Navajo Tribe to benefit farming operations on tribal land in northeastern Arizona. The loan is one of the largest ever made by First Interstate and will help the tribe to produce more crops and to provide more jobs for Navajos.

The loan will let the tribe regain control of its agricultural operations from outside consultants and could lead to similar financial arrangements for other tribal enterprises, such as tourism or mining, according to Tribal Chariman Peterson Zah.

Hospitals - The new Thunderbird Samaritan Hospital opened December 17th in Glendale. Building activity around the hospital includes a psychiatric facility, four medical complexes and an expansion of an existing medical facility, two nursing homes and a neighborhood shopping center. City officials estimate that more than 2,000 jobs will be created in a one-mile area around the hospital.

Transportation - Yellow Freight Systems Inc. will move its regional trucking operations and about 200 jobs from Phoenix to Barstow, California. The Phoenix center currently handles cargo from throughout the country for redistribution to several Western states. The move would make the Phoenix operation a local service, although some trucking from the center still would be done to Tucson and Nogales.

The estimated 200 Phoenix employees who will be affected by the move will be offered jobs elsewhere, with most asked to move to Barstow.

Acquisitions - The Phoenix based Circle K Corp. has purchased 960 U-Totem Inc. outlets as the first step in establishing a nationwide chain of convenience stores. The $225 million transaction increases Circle K outlets to 2,180 in 17 Western, Southern and Southeastern states.

McDonnel Douglas Corp. has reached agreement to acquire Hughes Helicopters Inc. for $470 million. The military helicopter producer is based in Culver City, California, with a manufacturing plant in Mesa.

The Hughes facility in Mesa now consists of five buildings totaling 532,000 square feet on a portion of a 200-acre site adjoining Falcon field. The plant eventually is to employ more than 4,000 people.

Store Closing - Diamond's closed its department store in Mesa's Tri-City Mall on January 14th. The store's 108 employees have been transferred to other Phoenix area locations.

Arden-Mayfair Inc. nas closed the Food Giant store at Tucson's El Con Mall. This is the third Tucson supermarket the chain has closed in two months. Company spokesmen have said that no further Tucson closings are planned.

Babbitts Home Center in Williams is closing indefinitely February 19th. The center has served the Williams area since 1947.

Fiesta Market, a sophisticated indoor version of the flea-market concept, closed unexpectedly. Some 200 Phoenix merchants had used the former Woolco store Friday through Sunday each week to sell their goods at discount prices.

Layoffs - The Cyprus-Bagdad Copper Co. furloughed 150 of its 875 workers in mid-January and reduced production 25 percent. This is the company's first layoff since 1938.

Republic Airlines will lay off 160 mechanics as it moves all its heavy aircraft maintenance from Phoenix. About 12 supervisors, five clerical and five management employees will also be laid off. All of the 182 to be laid off will have opportunities for positions elsewhere with Republic, based on seniority.

Light maintenance and line maintenance will continue at Sky Harbor with the heavier work consolidated at Minneapolis and Atlanta after February 15th. Slightly more than 100 mechanics will remain at Phoenix, along with staffs for reservations, flight training and operations.

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